

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7025

BILL NUMBER: SB 391

DATE PREPARED: Apr 6, 1999

BILL AMENDED: Apr 5, 1999

SUBJECT: Obsolete Statutes and School Report Cards, Gary School Board Elections.

FISCAL ANALYST: David Hoppmann

PHONE NUMBER: 232-9559

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill would do the following: 1) revise the reporting requirements for ISTEP and SAT test scores for school corporation annual performance reports and benchmarks to reflect current test scoring methods and require a public hearing for presentation and discussion of a school's annual performance report; 2) allow a school corporation to use large type and graphics when publishing the annual performance report and provide a method to compute costs for publication of the report and allow a school corporation to choose whether or not to publish its annual performance report in a qualified publication; 3) allow a public school principal to appoint assistant or deputy treasurers to assist school treasurers in maintaining school extracurricular accounts and provide that the term "treasurer" include assistant or deputy treasurer appointments; 4) allow a school corporation to adopt textbooks that do not appear on the state adoption list without seeking a waiver from the Indiana State Board of Education; 5) repeal the provision requiring a waiver from the Department of Education to adopt a textbook that does not appear on the state adoption list; 6) require the State Board of Education and the Professional Standards Board to jointly develop and report to the Indiana General Assembly by January 1, 2000, a plan to reimplement the "Academic Study of Religion in Secondary Schools" which was implemented in Indiana during 1978, 1979, and 1980; 7) provide that the general statute relating to the manner in which the governing body of a school corporation is constituted does not apply to the governing body of the Gary school corporation; 8) provide that the governing body may reorganize under the general statute after June 30, 2009; 9) provide standards for election of the members of the governing body of the Gary school corporation on a nonpartisan basis; 10) provide that the county election board shall impose a civil penalty of \$1,000 on a person that violates the standards; 11) provide for the election of the seventh member of the governing body who may reside anywhere within the school corporation by all the voters of the school corporation (under current law, the seventh member is appointed by the mayor of Gary); and 12) require a local public question to be placed on the ballot in a special election held at the time of the 2000 primary election asking the voters of the city of Gary whether the members of the library board should be elected by the voters of the city.

This bill would also make conforming changes to related laws by repealing provisions for the following programs that have expired, have not been funded, or are regulated by federal law: A) Inclusion School Pilot Program; B) Teacher Quality and Professional Improvement Program; C) Compulsory Attendance Exception; D) Governor's Scholars Academy; E) Innovative Education Grant Program; F) Art Education Grant Program; G) Committee on Educational Attitudes, Motivation, and Parental Involvement; H) Readiness Testing; I) Student Services Summer Institute; J) Early Childhood, Preschool, and Latch Key Pilot Programs; K) Anti-gang Counseling Pilot Program.

Effective Date: July 1, 1999.

Explanation of State Expenditures: (Revised) (6) The Department of Education and the Professional Standards Board would likely experience a minimal increase in administrative time and cost associated with the provisions of this bill. These figures are currently indeterminable.

However, the funds and resources required above could be supplied through a variety of sources, including the following: 1) existing staff and resources not currently being used to capacity; 2) existing staff and resources currently being used in another program; 3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; 4) funds that, otherwise, would be reverted; or 5) new appropriations.

Based on the 2/26/99 State Manning Table, the Department of Education has 370 authorized positions of which 100 are currently vacant, and the Professional Standards Board has 30 authorized positions of which three are currently vacant.

Ultimately, the source of funds and resources required to satisfy the requirements of this bill would depend upon legislative and administrative actions.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) (1 & 2) Provision 1 would reduce the reporting requirements for school corporations regarding the Performance Based Accreditation System. It would also require a public hearing for presentation and discussion of a school's annual performance report. Provision 2 would not result in additional cost to school corporations since the charge for publishing an enhanced report would be regulated by current state law, and would remain proportional to the number of lines of regular reading matter that would have normally occupied the same space in the publication.

(2) The current practice for publishing annual performance reports is for the Department of Education staff to prepare all charts and explanatory texts and to store them in the Department of Education Internet site. DOE also prepares a hard copy of the report and mails them to all school corporations. School corporations are then required to add information on enrollment in the CORE 40 curriculum and vocational education and any additional explanatory text of customization that they wish. To make these additions, school corporations either download the portable document format files off of the Internet site and add information using certain software or else make the changes manually. This edited version is then forwarded to the local newspapers to be printed in the newspaper's classified section.

As proposed by this bill, school corporations would have the choice of either printing the annual performance report in a qualified publication, or publishing a notice stating: 1) that the report is available to the public (free of charge); 2) that the school corporation will provide a copy of the report to any person requesting it

(as well as the address and telephone number where a person may request such a report); and 3) that the school corporation will mail or distribute a printed report to the parent or guardians of students attending the school. In addition, a school corporation would be required to provide its Internet address at which the report is available.

PUBLISHING COSTS

A sample of 41 school corporations responded to a question from the Indiana School Boards Association about the costs of publishing the annual report in their local newspaper during 1998. The average cost for these school corporations was \$2,522, with costs ranging from a low of \$75 to a high of \$18,000.

School corporations have not appeared to have added significant amounts of information to the reports that were sent to them from the Department of Education. Thirty six of 41 school corporations indicated that they made little or no additions to the performance report before sending them to the local newspapers.

OFFSETTING COSTS

Under current law, school corporations are required to publish an annual performance report in a qualified publication between September 1 and September 15 of each year (school corporations were first required to publish such a report in 1998). School corporations are required to pay for the costs of publishing performance reports in a qualified publication.

This bill could reduce the costs of publishing an annual performance report in the local newspaper as specified by IC 20-1-21. However, expenditure savings for school corporations opting to publish a notice (instead of publishing an annual performance report) could be offset by costs associated with providing free copies of the report to interested parties in accordance with this bill (school corporations opting to publish their annual performance reports would incur no additional costs).

LARGE TYPE AND GRAPHICS SECTION

For school corporations opting to publish an annual report in a qualified publication, the “large type and graphics section” of this bill would not result in additional cost to school corporations since the charge for publishing an enhanced report would be regulated by current state law, and would remain proportional to the number of lines of regular reading matter that would have normally occupied the same space in the publication.

The effects of this portion of the bill would vary from school corporation to school corporation, and would depend upon local action.

(3) Under current law, public school principals are required to appoint school treasurers to maintain school extracurricular accounts. School treasurers are appointed from existing school personnel, and maintain school extracurricular accounts in addition to their already existing duties at little or no additional cost to the school corporation. Currently, school corporations are not required to report school treasurer compensation figures to the State, therefore, statewide figures are not available at this time.

However, it is estimated that approximately 10% of Indiana’s school corporations compensate their school treasurers for maintaining school extracurricular accounts. If schools within these school corporations appoint assistant or deputy treasurers in accordance with this bill, it is likely that the school corporations

would experience a minimal cost increase to compensate its school assistant and deputy treasurers. These figures are currently indeterminable and would vary from school corporation to school corporation.

(4 & 5) These provisions would reduce administrative burdens to school corporations that decide to adopt textbooks not appearing on the state adoption list for textbooks. Cost savings would vary from school corporation to school corporation.

Explanation of Local Revenues: (Revised) **(10)** A civil penalty of \$1,000 can be imposed by the county election board on a person who violates the election standards established under Provision C. All civil penalties collected under this section shall be deposited with the county treasurer to be deposited by the county treasurer in a separate account to be known as the campaign finance enforcement account.

(12) This provision would likely have a minimal increase in printing costs for the Lake County Elections Board for the primary election held on May 2, 2002. The Lake County Elections Board reports that the city of Gary has 70,972 registered voters as of January 1, 1999.

State Agencies Affected: Department of Education and Professional Standards Board.

Local Agencies Affected: School Corporations, Gary School Board, Lake County Elections Board.

Information Sources: Bill Riley, Department of Education (317) 232-0509; Terry Spradlin, Department of Education (317) 232-6671; Stan Mettler, State Board of Accounts (317) 232-2520; Michelle Fajman, Lake County Elections Board, (219) 755-3818; and IC 3-9-4-17.